



TENNESSEE'S ENTERTAINMENT INDUSTRY



A STARRING ROLE: TENNESSEE'S ENTERTAINMENT INDUSTRY

Tennessee's entertainment cluster includes 1,253 establishments running the gamut from motion picture and sound recording to broadcasting, film production, musical instrument manufacturing, digital media and music publishing. Tennessee ranks first among states for employment in music publishing and third for employment in record production, sound recording, musical instrument manufacturing, integrated record production and distribution, and musical groups and artists.

The rich musical heritage and legacy recording industries of Nashville and Memphis draw musicians, bands, songwriters and performers from all over the world, creating diverse sounds and a melting pot of genres from folk, Americana, jazz, blues and soul to rock and pop.

Known for decades as Music City USA, Nashville has evolved from an early center of country music into a global entertainment headquarters, outpacing New York, Los Angeles and all other U.S. cities in its music industry concentration. Music publishing giants like Sony, Universal Music Group and others maintain a strong presence in the city, along with fast-growing independent labels such as Big Machine and Third Man Records.

The rapid rise of Nashville's music and entertainment industry, which supports 56,000 jobs, generates \$3 billion in income and contributes an economic impact of \$10 billion across the region, prompted economist Richard Florida to proclaim Nashville as "The Silicon Valley of the Music Business."

World-class instrument manufacturers populate the state, employing approximately 1,000 people. Among them: Gallagher Guitar, Muncy Guitars, Guitar Mill and the

internationally recognized Gibson Brands, which bases its corporation in Nashville and has production facilities in Nashville and Memphis.

The state is also a home for concert and festival promoters like Knoxville-based AC Entertainment, which hosts 750 live events annually across the nation, including the four-day Bonnaroo festival that generates an economic impact of \$50 million each year statewide.

Tennessee is also rising in film and television production. The motion picture and video industries – which include production, post-production, distribution and exhibition – number more than 300 establishments that employ nearly 5,900 workers statewide.

Regal Entertainment Group, the largest motion picture exhibitor in the nation, maintains its national headquarters in Knoxville, where it has a corporate staff of 350.

Scripps Networks Interactive, a leading provider of broadcast- and digital-based lifestyle content, also is based in Knoxville, where it produces popular cable channels such as the Food Network, the Travel Channel, HGTV and more.

Viacom-owned MTV Networks continues to grow its presence in Nashville, where it broadcasts the

Country Music Television (CMT) channel to more than 92 million homes. Viacom located a shared-services facility in Williamson County in 2011 to support the company's finance group.

Nashville serves as the backdrop and filming location for ABC's prime-time network television series, *Nashville*, renewed for its third season in 2014.

Motion picture and video distributors also thrive throughout the state. Examples include Word Entertainment, a Warner/Curb company that handles publishing, merchandising, booking and online initiatives for contemporary Christian artists; and Affirm Films, a division of Sony Pictures Entertainment that produces films designed to uplift and encourage. Another top media distributor is La Vergne-based Ingram Entertainment Holdings Inc., which in 2013, distributed 85 million units of DVD, Blu-Ray and video game software to retailers nationwide.

Tennessee's entertainment industry supports thousands of jobs and contributes billions of dollars to the economy, and with record growth expected in its motion picture and sound recording sectors over the next few years, the spotlight is about to get even brighter for the Volunteer State.



A BILLION-DOLLAR INDUSTRY

\$1.1B

Total annual wages for industries within Tennessee's entertainment sector

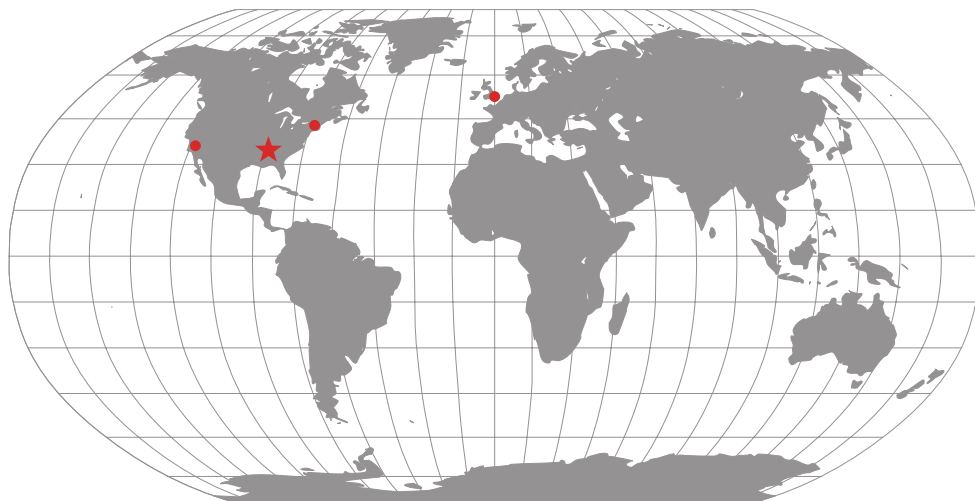
1,253

Establishments that populate Tennessee's entertainment sector

17,510

Tennesseans employed in entertainment industries across the state

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



A GLOBAL ENTERTAINMENT CENTER

Nashville is part of a quartet of music industry centers across the globe that includes New York, Los Angeles and London. The density of the city's music industry activity is up to 10 times greater than New York or Los Angeles and up to 30 times greater than the nation overall. The city also boasts a world-class entertainment scene that generates \$900 million in arts and cultural sales and draws visitors around the world. More than 188 arts-related nonprofits operate across the region, and Nashville has a performing arts participation rate that is nearly five times the national average due to high attendance at paid concerts, theater and musical performances.

TENNESSEE ENTERTAINMENT INDUSTRIES

Industry	NAICS Code	Employment	Total Wages (\$)
Motion Picture and Sound Recording	512	7,887	408,304,000
Motion Picture and Video Industries	5121	5,886	248,478,000
Sound Recording Industries	5122	2,001	159,826,000
Broadcasting (except Internet)	515	5,900	373,647,000
Radio and television broadcasting*	5151	4,720	227,536,000
Cable and other subscription programming*	5152	1,154	154,633,000
Magnetic Media Mfg. & Reproducing	33461	227	9,895,000
Musical Instrument Manufacturing	339992	987	44,103,000
Musical Groups & Artists	71113	2,509	282,024,000
Entertainment Cluster Total		17,510	1,117,973,000

* Where 2013 estimates are not available, 2012 estimates are provided
Source: U.S. Bureau of Labor Statistics

MEDIA FIRMS HEADQUARTERED IN TENNESSEE



1 SCRIPPS NETWORKS INTERACTIVE

Leading developer of lifestyle content for television and digital properties
Knoxville



2 REGAL ENTERTAINMENT GROUP

Nation's largest motion picture exhibitor
Knoxville



3 INGRAM ENTERTAINMENT HOLDINGS INC.

Leading wholesale distributor of home entertainment products, including DVD, Blu-Ray and video game software
La Vergne



4 WORD ENTERTAINMENT

Leading provider of publishing, merchandising, booking and online initiatives for contemporary Christian artists
Nashville



5 GIBSON GUITAR

Top manufacturer of guitars, banjos, mandolins, dobros and other instruments
Nashville



6 ECHOLIGHT STUDIOS

Produces and distributes high-quality, family-friendly movies
Franklin



7 ANDERSON MEDIA CORP.

A leading distributor of consumer products, publisher of chart-topping music and manufacturer of retail display fixtures. Anderson is an innovator in e-commerce of magazine subscriptions and digital music content.
Knoxville

CHARTING MAJOR SUCCESS

The Volunteer State is home to:



1 out of 6 Americans working in record production



1 in 11 Americans working in music instrument manufacturing



More than a quarter of the nation's music publishers

2,509

Musical artists and groups — more than three times the national average

131

Music publishing establishments

75

Sound recording studios

Source: U.S. Bureau of Labor Statistics



NASHVILLE'S MUSIC INDUSTRY CLOUT

MUSIC INDUSTRY CLUSTER JOBS PER 1,000 WORKING-AGE POPULATION (AGE 20-64) BY METROPOLITAN AREA



= music industry cluster jobs per 1,000 workers

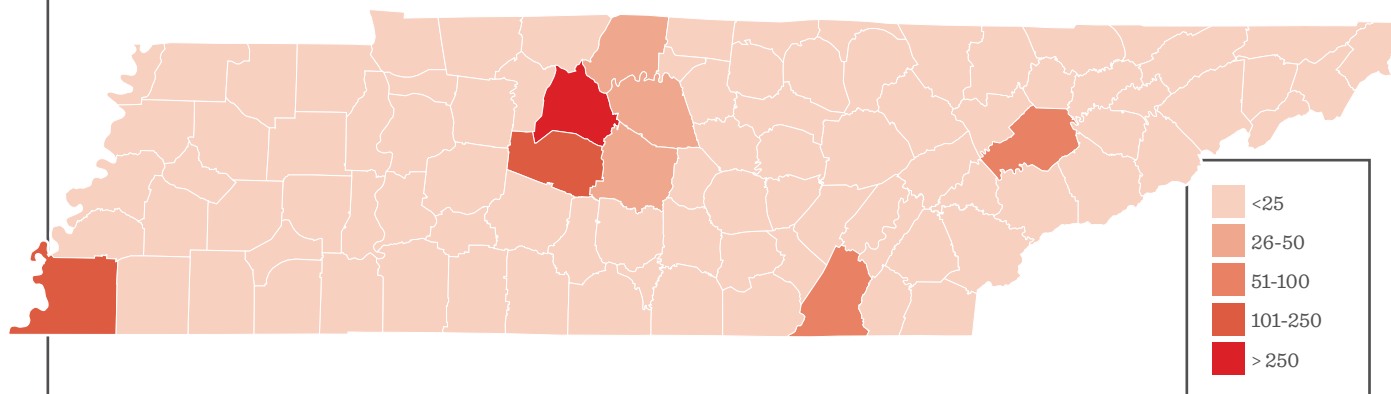
Source: Nashville Music Industry Study,
Nashville Area Chamber of Commerce



TOP TENNESSEE EMPLOYERS

Company Name	Tennessee Employment	Tennessee Locations
Comcast	3,000	Statewide
Technicolor Home Entertainment Services Inc.	1,200	Memphis
Scripps Networks Interactive Inc.	1,000	Statewide
Gibson Guitar Corp.	850	Nashville, Memphis
Regal Cinemas Inc.	850	Statewide, including Knoxville HQ
Broadcast Music Inc. (BMI)	400	Nashville
Cumulus Broadcasting	350	Nashville
Ingram Entertainment Holdings Inc.	300	La Vergne
Nashville Symphony Association	205	Nashville
Cinram Group Inc.	200	La Vergne
ELCOM of Memphis Inc.	200	Memphis
The Mapes Piano String Company	200	Elizabethton
Universal Music Group	200	Nashville
Sony Music Entertainment	200	Nashville

ENTERTAINMENT INDUSTRY CONCENTRATION



LEADING ADVANTAGES

From music making to film and television production, entertainment firms that choose to invest in Tennessee can take advantage of an array of competitive assets, including:

TALENT-DRIVEN WORKFORCE: Technical talent is plentiful across the state. Several colleges and universities offer programs that specialize in music and film education, including Belmont University, which has a motion pictures and media studies program, and recently established the nation's first College of Entertainment and Music Business.

CREATIVE CULTURE: Creativity is pervasive throughout Tennessee. Nashville, recently ranked among the nation's top cities for creative vitality, employs more than 36,000 Creative Class workers. New creative occupations growing in the city include fashion, set and exhibit design, and film and video editing.

INSPIRING SPACES: Tennessee's lush pastoral landscape of rivers, farms and open land provides ideal settings for filmmakers, and its city skylines and historic haunts have provided the backdrop for movies like *The Firm*, *Hustle & Flow*, *Walk the Line* and *The Green Mile*.

BUSINESS-FRIENDLY CLIMATE: Operating costs are low for businesses, and labor is more affordable when compared to most parts of the nation. Pro-business programs such as the Film & Television Production Incentive administered by the Tennessee Film, Entertainment & Music Commission help film and television producers obtain grants to offset labor and vendor costs.

QUALITY OF LIFE: Along with a low cost of living and no state income tax on wages, Tennessee is known for its leading health care and education centers, and its wealth of arts, culture and recreation.

INDUSTRY LEADERS

#1

For employment in music publishing

#2

For number of music publishing establishments

#3

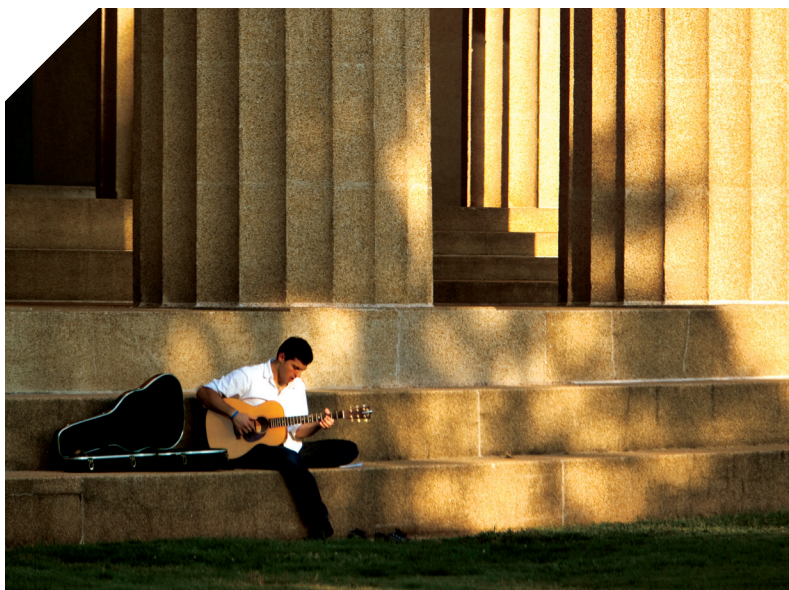
For employment in sound recording industries, record production, integrated record production and distribution, musical groups and artists, and musical instrument manufacturing

Source: U.S. Bureau of Labor Statistics

LOCATION, LOCATION

Tennessee is a Right-to-Work state that offers competitive incentives for film and television production including:

- ◆ A 25 percent cash rebate on all Qualified Tennessee Expenditures. Production companies are required to have a minimum of \$200,000 in Qualified Tennessee Expenditures per production/per episode. Qualified Tennessee Expenditures include Tennessee labor, production services and music.
- ◆ Eligibility to receive a hotel occupancy tax refund after a room has been used for more than 30 days, with no sales tax applied once a room has been rented by the same person for 90 continuous days.
- ◆ No state permitting fees.
- ◆ Free use of state-owned buildings and land, including the Tennessee State Capitol and nearly all Tennessee parks.



STARRING ROLES

7,887

People employed in motion picture and sound recording industries in Tennessee across 605 establishments statewide

6.3%

Projected growth in Tennessee employment in these industries over the next five years

TOP 10 ENTERTAINMENT INDUSTRIES BY EMPLOYMENT

Industry	2013 Employment
Musical groups and artists	2,509
Television broadcasting	2,480
Radio broadcasting*	2,374
Motion picture and video exhibition	2,216
Motion picture and video production	1,635
Cable and other subscription programming*	1,154
Music publishers	1,057
Musical instrument manufacturing	987
Integrated record production and distribution	412
Record production	306

* Where 2013 estimates are not available, 2012 estimates are provided
Source: U.S. Bureau of Labor Statistics



CREATIVE SMARTS

2,659

Degrees awarded at 51 institutions statewide, including Belmont University, Middle Tennessee State University, The University of Tennessee-Knoxville, University of Memphis and Vanderbilt University.

10,000

Degree completions related to Tennessee's entertainment industries in the last four years



BELMONT UNIVERSITY

Nashville

The Mike Curb College of Entertainment & Music Business boasts an impressive faculty of academic scholars and authors, entrepreneurs, songwriters, producers, and sound and recording engineers. A world leader in music business and entertainment industry education, and the only freestanding college of its kind accredited for both business (AACSB) and technology (ABET), the Curb College has been featured in *Billboard*, *Time Magazine*, *Rolling Stone* and *Business Week*.

ENTERTAINMENT INDUSTRY COMPLETIONS

Program	2010	2011	2012	2013
Visual and Performing Arts	37	50	71	63
Design and Applied Arts	465	570	476	491
Drama/Theatre Arts and Stagecraft	240	308	229	220
Film/Video and Photographic Arts	91	171	179	191
Fine and Studio Arts	451	512	529	534
Music	611	581	630	620
Arts, Entertainment and Media Management	437	496	532	540
Total	2,332	2,688	2,646	2,659

TOP 20 INSTITUTIONS BY ENTERTAINMENT INDUSTRY COMPLETIONS (2013)

Institution	Degrees	Certificates	Total Completions
Belmont University	432	0	432
Middle Tennessee State University	411	0	411
The University of Tennessee-Knoxville	239	6	245
University of Memphis	177	3	180
Pellissippi State Community College	22	74	96
East Tennessee State University	96	0	96
Vanderbilt University	91	0	91
Nossi College of Art	90	0	90
Memphis College of Art	79	0	79
Austin Peay State University	67	0	67
The Art Institute of Tennessee-Nashville	64	1	65
Watkins College of Art, Design & Film	50	2	52
The University of Tennessee-Chattanooga	48	0	48
Nashville State Community College	25	21	46
The University of Tennessee-Martin	42	0	42
Tennessee Technological University	40	0	40
Chattanooga State Community College	13	26	39
Lee University	39	0	39
International Academy of Design and Technology-Nashville	37	0	37
Carson-Newman University	32	0	32

Source: EMSI